

AMENDED IN SENATE AUGUST 18, 2014

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MAY 1, 2014

AMENDED IN ASSEMBLY APRIL 9, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2022

Introduced by Assembly Member Medina

February 20, 2014

An act to amend Sections 4532 and 4534 of, and to repeal Section 4534.1 of, the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2022, as amended, Medina. Public contracts: Target Area Contract Preference Act.

The Target Area Contract Preference Act establishes a preference for contracts for goods or services that are in excess of \$100,000 for contractors that certify that a specified percentage of the hours worked on a contract will be performed on a worksite in a distressed area, as defined.

This bill would redefine a distressed area to be a census tract that is determined by the Department of Finance under a specified statute to be in the top quartile of census tracts for *having the* highest unemployment and poverty.

~~Existing law establishes a preference for contractors who certify that they will use a specified amount of persons with a high risk of unemployment, as defined, on a contract.~~

~~This bill would redefine persons with a high risk of unemployment to include, but not be limited to, a person that has been unemployed for a specified period of time, a veteran who served in active duty since September 11, 2001, a person who has been convicted of a felony, or a person who receives benefits of the Supplemental Nutrition Assistance Program.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4532 of the Government Code is amended
2 to read:
3 4532. As used in this chapter:
4 (a) “California-based company” means either of the following:
5 (1) A business or corporation whose principal office is located
6 in California, and the owners, or officers if the entity is a
7 corporation, are domiciled in California.
8 (2) A business or corporation that has a major office or
9 manufacturing facility located in California and that has been
10 licensed by the state on a continuous basis to conduct business
11 within the state and has continuously employed California residents
12 for work within the state during the three years prior to submitting
13 a bid or proposal for a state contract.
14 (b) ~~“Distressed”~~ “*Distressed area*” means a census tract
15 determined by the Department of Finance, pursuant to Section
16 13073.5, to be in the top quartile of census tracts for having the
17 highest unemployment and poverty in the state.
18 (c) ~~“Person with a high risk of unemployment” includes, but is~~
19 ~~not limited to, the following:~~
20 (1) ~~A person who is currently unemployed and has been~~
21 ~~unemployed for more than 200 days.~~
22 (2) ~~Veterans who served on active duty since September 11,~~
23 ~~2001.~~
24 (3) ~~A person who has been convicted of a felony under any~~
25 ~~statute of the United States or of any state.~~
26 (4) ~~A person who receives benefits of the Supplemental~~
27 ~~Nutrition Assistance Program.~~
28 (c) “*Person with a high risk of unemployment*” means a person
29 who:

1 (1) *As a member of one of the eligible groups defined in Section*
2 *321 of Public Law 95-600, qualifies an employer who hires him*
3 *or her for the Targeted Jobs Tax Credit. These groups are:*
4 *economically disadvantaged youth, economically disadvantaged*
5 *Vietnam-era veterans, economically disadvantaged ex-convicts,*
6 *vocational rehabilitation referrals, youth participating in a*
7 *qualified cooperative education program, recipients of*
8 *supplemental security income benefits under Title XVI of the Social*
9 *Security Act, and general assistance recipients.*

10 (2) *Would have qualified an employer hiring him or her for the*
11 *Work Incentive/Welfare Tax Credit authorized by Section 322 of*
12 *Public Law 95-600. These persons include applicants and*
13 *recipients of aid to families with dependent children who would*
14 *have registered for the Work Incentive Program, and aid to families*
15 *with dependent children recipients who have been receiving welfare*
16 *for at least 90 days.*

17 (d) *“Poverty” means the poverty level, as defined by the United*
18 *States Department of Commerce, Bureau of the Census in the*
19 *Federal Register, Volume 43, Number 87, for Thursday, May 4,*
20 *1978, at pages 19260–19269, and as periodically updated.*

21 ~~(d)~~

22 (e) *“Worksite” means either of the following:*

23 (1) *A business located within a distressed area.*

24 (2) *A business located in directly adjoining census tract blocks*
25 *that when attached to the distressed area forms a contiguous*
26 *boundary. A company that intends to perform the work at a*
27 *worksite described in this paragraph shall submit a map with the*
28 *bid or proposal identifying where the worksite is located.*

29 SEC. 2. Section 4534 of the Government Code is amended to
30 read:

31 4534. (a) In evaluating proposals for contracts for services in
32 excess of one hundred thousand dollars (\$100,000), except a
33 contract in which the worksite is fixed by the provisions of the
34 contract, the state shall award a 5-percent preference on the price
35 submitted by California-based companies ~~who~~ *that* demonstrate
36 and certify under penalty of perjury that not less than 90 percent
37 of the total labor hours required to perform the contract shall be
38 accomplished at an identified worksite or worksites ~~located in a~~
39 ~~distressed area.~~

- 1 (b) Where a bidder complies with the provisions of subdivision
- 2 (a), the state shall award the additional preferences as set forth in
- 3 Section 4533.1 as appropriate.
- 4 SEC. 3. Section 4534.1 of the Government Code is repealed.